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TESTIMONY OF STEVEN K. YOUNG

FOR

DUKE POWER COMPANY

PSCSC DOCKET NO. 2002-3-E

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SC PUBLIC SERVICE  
COMMISSION

1 Q. PLEASE STATE YOUR NAME, ADDRESS AND POSITION WITH DUKE POWER  
2 COMPANY.

3 A. My name is Steven K. Young and my business address is 422 South Church Street,  
4 Charlotte, North Carolina. I am Vice President, Rates and Regulatory Affairs of  
5 Duke Power Company.

6 Q. STATE BRIEFLY YOUR EDUCATION, ACCOUNTING BACKGROUND AND  
7 PROFESSIONAL AFFILIATIONS.

8 A. I am a graduate of the University of North Carolina with a Bachelor of Science in  
9 Business Administration. I am a Certified Public Accountant and a Certified  
10 Managerial Accountant, with memberships in the American Institute of Certified  
11 Public Accountants, the Institute of Managerial Accountants and the National  
12 Association of Accountants. I am also a member of the Edison Electric Institute  
13 Economic Regulation and Competition Committee and the Southeastern Electric  
14 Exchange Rate Committee.

15 Q. PLEASE DESCRIBE YOUR BUSINESS BACKGROUND AND EXPERIENCE.

16 A. I began my employment with Duke in the Controller's Department in July, 1980, and  
17 became Supervisor of the Catawba Interconnect Systems in May, 1986. In  
18 November, 1988, I became Director of Catawba Accounting. In September, 1991, I  
19 became Manager of Bulk Power Agreements in the System Planning and Operating  
20 Department. In November, 1992, I became Manager of the Rate Department. I

APPROVED: *OC DeJ*  
DATE: *OC DeJ*

1 assumed my current position as Vice President, Rates and Regulatory Affairs in  
2 April, 1998.

3 Q. ARE YOU FAMILIAR WITH THE ACCOUNTING PROCEDURES AND BOOKS OF  
4 ACCOUNT OF DUKE POWER COMPANY?

5 A. Yes. As ordered by this Commission, the books of account of Duke Power  
6 Company follow the uniform classification of accounts prescribed by the Federal  
7 Energy Regulatory Commission.

8 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

9 A. The purpose of my testimony is as follows:

10 1. To furnish information relating to our fuel purchasing and practices for the  
11 period April, 2001 through March, 2002, and to summarize the Company's  
12 procedures in accounting for fuel.

13 2. To update the actual fuel cost data reviewed in these proceedings. Actual  
14 fuel costs through March 2001 were presented in the last hearing. April  
15 2001 through March 2002 actual fuel cost data is presented in Young  
16 Exhibits 3 and 7 accompanying my testimony.

17 3. To summarize the performance of the Company's nuclear generating  
18 system during the period April 2001 through February 2002.

19 4. To discuss the fuel recovery results for the period April 2001 through May  
20 2002.

21 5. To provide and explain the Company's computations for the projected fuel  
22 costs for the twelve-month period June 2002 through May 2003.

23 Q. YOUR TESTIMONY INCLUDES 8 EXHIBITS. WERE THESE EXHIBITS  
24 PREPARED BY YOU OR AT YOUR DIRECTION AND UNDER YOUR  
25 SUPERVISION?

1 A. Yes. Each of these exhibits was prepared at my direction and/or under my  
2 supervision.

3 Q. CAN YOU PROVIDE A SUMMARY OF DUKE'S FUEL PROCUREMENT  
4 PRACTICES?

5 A. Yes. The Company continues to follow the same procurement practices discussed  
6 in previous testimony, and a summary of those practices is as follows:

7 1. Estimating Fuel Requirements. Fuel requirements are estimated annually  
8 based on input data from several departments, including Forecasting,  
9 System Planning, Nuclear Production, Fossil Production, Operating and Fuel  
10 Purchasing.

11 2. Inventory Requirements. Monthly and annual fuel inventory requirements  
12 for each station and the system are determined after considering the  
13 Company's purchasing and production requirements.

14 3. Covering of Fuel Requirements. On a monthly and annual basis, reviews  
15 are made of existing contracts and projected consumption to determine the  
16 need for additional spot or contract supplies.

17 4. Qualified Suppliers. A list of qualified suppliers is maintained along with  
18 detailed historical records of their performance and capabilities as to  
19 quantity, quality, loading capacities, etc. Invitations to bid are distributed to  
20 all qualified suppliers to cover additional or future contract needs.

21 5. Bid Evaluation. Contracts are awarded after a complete evaluation cycle  
22 including, if necessary, an on-site visit to the source to determine the  
23 capabilities of the suppliers.

24 6. Spot Purchases. To supplement our fuel supply, entry into the spot market  
25 is made on a month-by-month basis.

- 1           7.     Expediting. All orders are expedited (monitored) closely as to performance  
2                     against schedule quantity, quality, and proper bills of lading, etc.
- 3           8.     Quality Control. The Company samples and analyzes all coal received at  
4                     each station. These analyses are monitored closely against contract  
5                     specifications and serve as the basis for final price determinations. All coal  
6                     is weighed at each station to verify freight charges assessed by the  
7                     railroads.

8     Q.     WHAT IS SHOWN ON YOUNG EXHIBIT 1?

9     A.     Young Exhibit 1 is a statistical summary for each fuel category for the period April,  
10            2001 through March, 2002. The Exhibit includes the quantities consumed,  
11            quantities purchased, and the 12-month weighted average purchase price for each  
12            fuel. Due to the different components which make up the total cost of coal, coal  
13            statistics are further broken down to show the average cost f.o.b. mine, the  
14            transportation cost, and the delivered cost per million Btus.

15            The cost components of nuclear fuel are uranium, conversion, enrichment  
16            and fabrication. The average price for uranium decreased \$0.41 per pound,  
17            approximately 4%, due to excess western world inventories. Fabrication prices are  
18            increasing due to inflationary escalation clauses in Duke's contracts. Enrichment  
19            prices continue to escalate due to a lack of competitive pressures.

20            The delivered cost per million Btus (British Thermal Unit) of coal, which  
21            incorporates the quality of the coal, increased 16.8% during the period. The primary  
22            reason for this increase is due to the impact on prices of the increased demand for  
23            coal in the winter of 2000 – 2001 arising from unusually cold temperatures. Duke's  
24            average price for spot coal increased from \$22.17 per ton in calendar year 2000 to  
25            \$36.55 per ton for calendar year 2001. The early 2002 market for spot coal has

1 declined to the mid to high \$20's due primarily to the lack of coal demand caused by  
2 abnormally mild winter temperatures.

3 Oil prices increased \$0.27 per gallon when compared to the previous 12-  
4 month period. The average gas price (\$4.70/mcf) was the same as in the previous  
5 twelve months.

6 Q. WHAT IS SHOWN ON YOUNG EXHIBIT 2?

7 A. This exhibit shows inventories for coal, oil and uranium (or uranium equivalents) at  
8 the beginning and end of this reporting period.

9 Coal inventories are increased from April, 2001 through March, 2002. This  
10 increase occurred over the September 2001 through March 2002 time period due to  
11 substantially lower than expected coal burns caused by abnormally mild winter  
12 temperatures. Actual coal burned was 1,250,000 tons less than projected coal  
13 burns for September, 2001 through March, 2002. Duke expects to maintain  
14 inventory targets to support summer and subsequent consumption.

15 Oil inventories have not changed significantly from the previous period as  
16 purchases have generally equaled consumption. Uranium inventory is slightly lower  
17 than last year. Inventory levels fluctuate over time due to the number of reloads in  
18 process and the uranium requirements of such reloads. Therefore, future uranium  
19 inventories at any given point in time may be higher or lower than the current level  
20 depending on the associated timing of future reload requirements.

21 Q. PLEASE DISCUSS COAL TRANSPORTATION COSTS FOR THE PERIOD.

22 A. Coal transportation or freight costs for the calendar year 2001 were \$191 million or  
23 \$10.49 per ton of coal representing 27% of the cost of coal purchased. Duke's  
24 freight contracts with NS and CSX railroads expired December 31, 2001.  
25 Negotiations in 2001 for new rates were unsuccessful, and, ultimately, Duke filed

1 litigation with the Surface Transportation Board (SBT) regarding freight costs  
2 incurred after December 31, 2001. Until resolution of this issue, Duke must pay  
3 freight rates in the \$17 and \$18 per ton range. I have projected coal freight rates for  
4 the test period based upon historical levels because the ultimate outcome of the  
5 various proceedings and potential negotiations is uncertain.

6 Q. MR. YOUNG, CAN YOU EXPLAIN HOW THE MONTHLY COAL COSTS  
7 CHARGED TO EXPENSE ARE DERIVED?

8 A. All the Company's coal is delivered by rail. As coal is received at each plant, it is  
9 weighed and sampled for quality verifications. Subsequently, the purchasing  
10 department compares the weight, price and quality with the purchase order and  
11 railroad waybill. Adjustments are made to the cost of coal purchased in those cases  
12 where the quality of the coal received varies from contract specifications for BTU,  
13 ash, and sulfur content.

14 Moisture and BTU tests are also made as the coal is delivered to the coal  
15 bunkers for each boiler. BTU tests measure the energy content of the coal. To the  
16 extent that the moisture content of the coal burned differs from the moisture content  
17 of coal purchased, an adjustment is subsequently made to the inventory tonnage.  
18 Wet coal weighs heavy and without the moisture adjustment, tons burned would be  
19 overstated and inventory would be understated.

20 Coal costs charged to expense are calculated on an individual plant basis.  
21 The expense charge is the product of the tons of coal conveyed to the bunkers for a  
22 generating unit during the month times the average cost of the coal. The number of  
23 tons is determined by using scales located on the conveyor belt running to the unit's  
24 coal bunkers. The average cost reflects the total cost of coal on hand as of the  
25 beginning of the month, computed using the moving average inventory method, plus

1 the cost of coal delivered to the plant during the month. The cost of coal is  
2 determined from the invoice for the coal and the freight bill and does not include any  
3 non fuel cost or coal handling cost at the generating station.

4 Physical inventories using aerial surveys are conducted annually. An  
5 adjustment to book inventory was made in December 2001 based on an aerial  
6 survey conducted in November 2001.

7 Q. PLEASE DISCUSS THE PERFORMANCE OF DUKE POWER COMPANY'S  
8 FOSSIL GENERATING SYSTEM.

9 A. In 2001 the fossil steam generating plants provided 51% of total generation. The  
10 heat rate for the fossil coal system was 9465 BTU. Heat rate is defined as a  
11 measure of the amount of thermal energy needed to generate a given amount of  
12 electric energy and is expressed as British thermal units per kilowatt-hour (Btu/kwh).  
13 A low heat rate indicates an efficient generating system that uses less heat energy  
14 from fuel to generate electrical energy. Duke has consistently been an industry  
15 leader in achieving low heat rates.

16 Q. PLEASE EXPLAIN HOW MONTHLY NUCLEAR COSTS CHARGED TO  
17 EXPENSE ARE DERIVED.

18 A. Nuclear fuel expense for the month is based on the energy output in Mbtus of each  
19 fuel assembly in the core, nuclear fuel disposal costs and the DOE Decontamination  
20 and Decommissioning Fund Fee.

21 The cost of each fuel assembly is determined when the fuel is loaded in the  
22 reactor. The costs include yellowcake (uranium), conversion, enrichment and  
23 fabrication. An estimate of the energy content of each fuel assembly is also made.  
24 A cost per Mbtu is determined by dividing the cost of the assembly by its expected

1 energy output. Each month an engineering calculation of the Mbtu output of an  
2 assembly is priced at its cost per Mbtu.

3 During the life of a fuel assembly, the expected energy output may change  
4 as a result of actual plant operations. When this occurs, changes are made in the  
5 cost per Mbtu for the remaining energy output of the assembly. New fuel assembly  
6 orders are planned for either a sixteen or eighteen month cycle. The length of a  
7 cycle is the duration of time between when a unit starts up after refueling and when  
8 it starts up after its next refueling. During a refueling approximately one-third of the  
9 fuel in the reactor is replaced.

10 Q. MR. YOUNG, WHAT IS THE MAGNITUDE OF THE COMPANY'S MONTHLY FUEL  
11 COSTS?

12 A. Young Exhibit 3 sets forth the total system actual fuel costs (as burned) that the  
13 Company incurred from April 2001 through March 2002. This exhibit also shows  
14 fuel costs by type of generation and total MWH generated during this period. The  
15 oil and gas usage was for light-off fuel used to start up our coal plants and for  
16 combustion turbine generation. The monthly fluctuations in total fuel cost during this  
17 period are primarily due to refueling and other outages at the nuclear stations,  
18 weather sensitive sales and the availability of hydro generation.

19 Q. MR. YOUNG, WHAT IS THE MAGNITUDE OF THE COMPANY'S FUEL COST  
20 COMPARED TO THE TOTAL COST OF SERVICE?

21 A. Fuel costs continue to be the largest cost item incurred in providing electric service.  
22 For the twelve months ended February 2002, fuel and the fuel component of  
23 purchased power represented approximately 18% of the Company's total revenue.  
24 Coal costs are the largest fuel cost component and during the period April 2001  
25 through March 2002 comprised approximately 72% of the Company's fuel bill.



1 Q. MR. YOUNG, WHAT HAS HAPPENED TO THE UNIT COST OF FUEL DURING  
2 RECENT REPORTING PERIODS?

3 A. Young Exhibits 4A and 4B graphically portray the "as burned" cost of both coal and  
4 nuclear fuel in cents per million BTU (MBTU) for the twelve month periods ending  
5 January 2000 through March 2002. As Exhibit 4A shows, coal costs increased  
6 somewhat during the period. Exhibit 4B shows that nuclear fuel costs have trended  
7 down slightly.

8 While the unit costs of each type of fuel have shown little volatility in the  
9 recent past, we can expect our composite cost of fuel to increase. Our future KWH  
10 growth will be met primarily from the Company's coal generating units and the cost  
11 of coal is about three times the cost of nuclear fuel.

12 Q. MR. YOUNG, WHAT DOES YOUNG EXHIBIT 5 SHOW?

13 A. Young Exhibit 5 graphically shows generation by type for the current and projected  
14 test periods as well as three prior periods.

15 Q. MR. YOUNG, WOULD YOU PLEASE DISCUSS THE PERFORMANCE OF THE  
16 COMPANY'S NUCLEAR GENERATING SYSTEM DURING THE PERIOD APRIL  
17 2001 THROUGH MARCH 2002?

18 A. Young Exhibit 6 sets forth the achieved nuclear capacity factor for the period April  
19 2001 through March 2002 based on the criteria set forth in Section 58-27-865, Code  
20 of Laws of South Carolina as amended in 1996. The statute states as follows:

21 There shall be a rebuttable presumption that an electrical  
22 utility made every reasonable effort to minimize cost  
23 associated with the operation of its nuclear generation facility  
24 or system, as applicable, if the utility achieved a net capacity  
25 factor of ninety-two and one-half percent or higher during the  
26 period under review. The calculation of the net capacity  
27 factor shall exclude reasonable outage time.

As shown on page 1 of Young Exhibit 6, the Company's achieved capacity factor reflecting reasonable outage time (as set forth in § 58-27-865) was greater than 92.5% for the current period.

With the refueling requirements, maintenance requirements, Nuclear Regulatory Commission (NRC) operating requirements, and the complexity of operating nuclear generating units our system will almost always have the equivalent of at least one nuclear unit out of service. Pages 2 and 3 of Young Exhibit 6 show the dates of and explanations for actual and forecast outages of a week or more in duration.

Q. MR. YOUNG, DO YOU BELIEVE THE COMPANY'S ACTUAL FUEL COSTS INCURRED DURING THE PERIOD APRIL 2001 THROUGH MARCH 2002 WERE REASONABLE?

A. Yes. I believe the costs are reasonable and meet the guideline test set forth in Section 58-27-865(F) of the Code of Laws of South Carolina. They also reflect the Company's continuing efforts to maintain reliable service and an economical generation mix, thereby minimizing the total cost of providing service to our South Carolina retail customers.

Q. WHAT FUEL FACTORS HAS THIS COMMISSION APPROVED IN THE PAST?

A. The following table shows the approved factors since 1979, when the current fuel clause procedure began:

<u>Period</u>	<u>Periods</u>	<u>¢/KWH</u>
June 1979 - May 1980	2	1.3500
June 1980 - May 1981	2	1.2250
June 1981 - November 1981	1	1.5000
December 1981 - May 1982	1	1.5750
June 1982 - November 1982	1	1.6500
December 1982 - May 1983	1	1.6000
June 1983 - May 1984	2	1.3750
March 1984		1.0500
June 1984 - November 1984	1	1.1250

1	December 1984 - November 1985	2	1.2500
2	October 1985		1.1199
3	December 1985 - November 1986	2	1.1199
4	November 1986		0.9806
5	December 1986 - May 1987	1	0.9806
6	June 1987 - November 1987	1	1.1500
7	December 1987 - November 1988	2	1.2500
8	December 1988 - November 1989	2	1.0750
9	December 1989 - May 1990	1	1.0500
10	June 1990 - November 1990	1	1.0000
11	December 1990 - November 1991	2	1.1000
12	December 1991 - May 1992	1	1.0000
13	June 1992 - November 1993	3	0.9500
14	December 1993 - May 2000	10	1.0000
15	June 2000 - May 2002	2	0.9500

16 Q. WHAT HAS BEEN THE COMPANY'S FUEL RECOVERY EXPERIENCE DURING  
17 THE PERIOD APRIL 2001 THROUGH MARCH 2002?

18 A. Young Exhibit 7 shows the actual fuel costs incurred for the period April 2001  
19 through March 2002, the estimated fuel costs for April and May 2002 and the over-  
20 recovery carried forward at the beginning of the period. This exhibit compares the  
21 fuel costs incurred with the fuel rate being collected. The Company started the  
22 period over-recovered by \$20,368,000 as shown on line 12. As shown on line 13,  
23 the Company is projecting an over-recovery at the end of the period of \$4,246,000.  
24 The Company's fuel costs were impacted by higher cost coal from the spot market  
25 during a majority of the period offset somewhat by a reduction in cost due to a lower  
26 level of sales and strong nuclear performance.

27 Q. MR. YOUNG, WHAT IS THE COST OF FUEL THE COMPANY PROJECTS FOR  
28 RECOVERY DURING THE PERIOD JUNE 2002 THROUGH MAY 2003?

29 A. Young Exhibit 8 sets forth projected fuel costs for the period June 2002 through May  
30 2003. As shown on line 7, the fuel cost estimated for recovery during this period is  
31 1.0484¢/KWH. After adjusting for the cumulative over-recovery, the adjusted fuel  
32 cost is 1.0289¢/KWH.

1 Q. WHAT WAS THE BASIS FOR ESTIMATING FUEL COSTS AS SHOWN ON  
2 YOUNG EXHIBIT 8?

3 A. The latest available information was used to develop the projections shown on  
4 Young Exhibit 8. The projected KWH sales on line 6 are from the Company's 2002  
5 sales forecast. Projected nuclear generation reflects planned refueling outages and  
6 a 95% capacity factor while the units are running. The most recent nuclear fuel cost  
7 estimate was used to determine projected nuclear fuel expense. Estimated hydro  
8 generation for the period is based on median generation for the period 1971 - 2001.  
9 The median hydro generation for each calendar month is determined by selecting  
10 the value of generation for that calendar month that is greater than the generation  
11 values for that calendar month during 15 years of a 31 year (1971 - 2001) period  
12 and less than the generation values for that calendar month during 15 years of the  
13 same 31 year period.

14 Q. MR. YOUNG, WHAT FUEL FACTOR IS THE COMPANY PROPOSING FOR  
15 INCLUSION IN BASE RATES EFFECTIVE JUNE 1, 2002?

16 A. The Company proposes that the fuel factor of 0.9500¢/KWH currently reflected in  
17 base rates remain the same for the period June 1, 2002 through May 31, 2003.  
18 Based on our estimate, this fuel factor would result in the Company under-  
19 recovering its fuel cost at the end of the period. This factor balances out over/under-  
20 recoveries of fuel costs over time and is in keeping with the spirit of the statute which  
21 allows utilities to recover prudently incurred fuel costs "in a manner that tends to  
22 ensure public confidence and minimize abrupt changes in charges to consumers."

23 Q. MR. YOUNG, DOES THAT CONCLUDE YOUR TESTIMONY?

24 A. Yes, it does.

FUEL PURCHASES AND CONSUMPTION  
APRIL, 2001 - MARCH, 2002

COAL

Tons Burned	15,523,396
Tons Purchased	17,737,819
Avg. Mine Price/Ton	\$28.72
Avg. Freight Price/Ton	\$11.38
Avg. Delivered Price/Ton	\$40.11
Avg. Delivered Price/10 <sup>6</sup> BTU	\$1.6378

OIL

Gallons Consumed	14,146,457
Gallons Purchased	16,260,787
Avg. Price/Gallon Purchased	\$0.718

NATURAL GAS

Mcf. Purchased	717,275
Avg. Price/Mcf.	\$4.70

URANIUM

Pounds Purchased	4,001,185
Avg. Price/Pound	\$10.20

YOUNG EXHIBIT 2

FUEL INVENTORIES

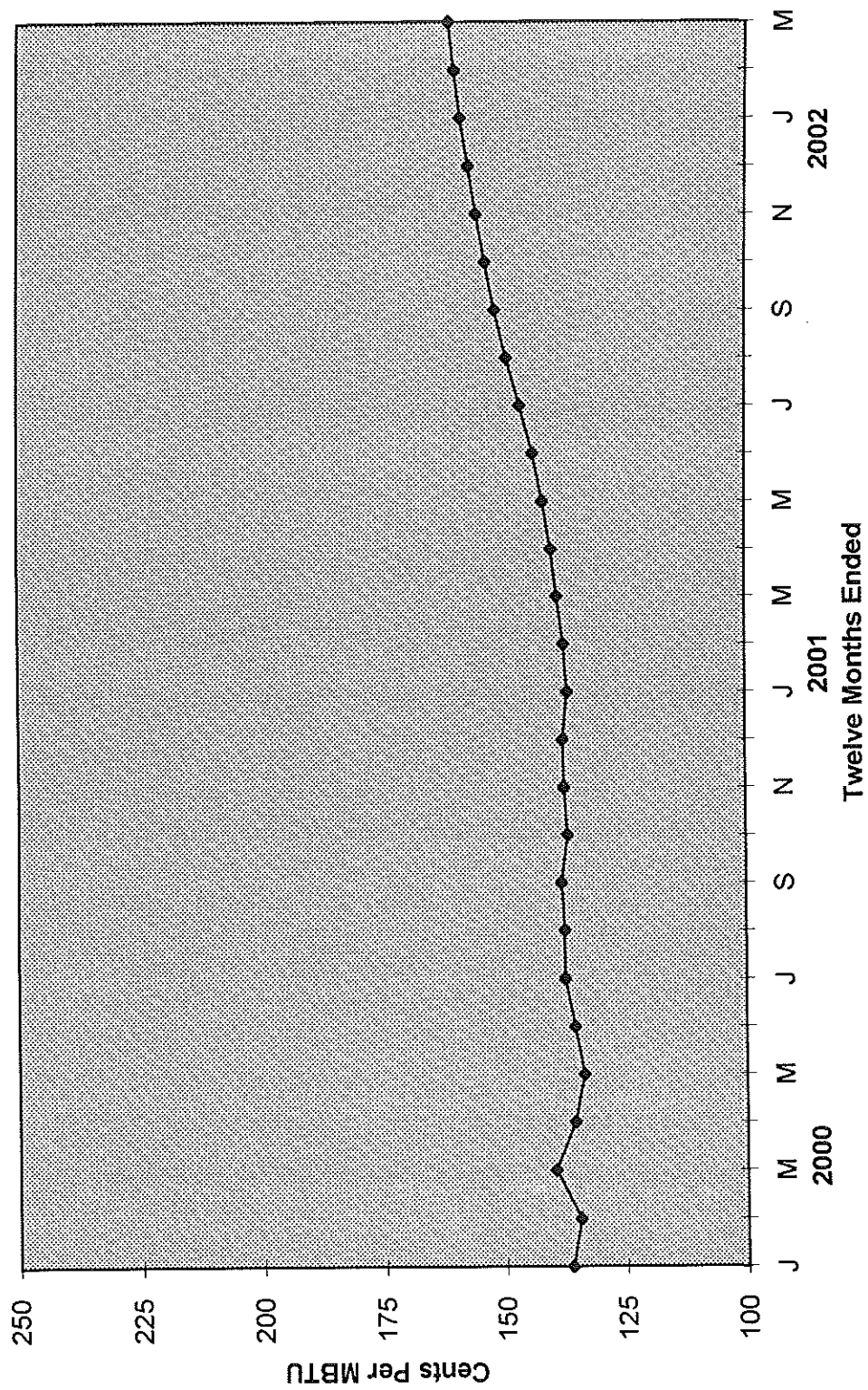
	<u>03/31/01</u>	<u>03/31/02</u>
COAL (TONS)	1,173,817	3,561,273
#2 OIL (GALLONS)	12,769,947	14,972,208
URANIUM (POUNDS)	2,105,978	2,104,952

DUKE POWER COMPANY  
SOUTH CAROLINA FUEL CLAUSE  
2002 ANNUAL FUEL HEARING  
TOTAL COMPANY FUEL COST  
\$000

YOUNG EXHIBIT 3

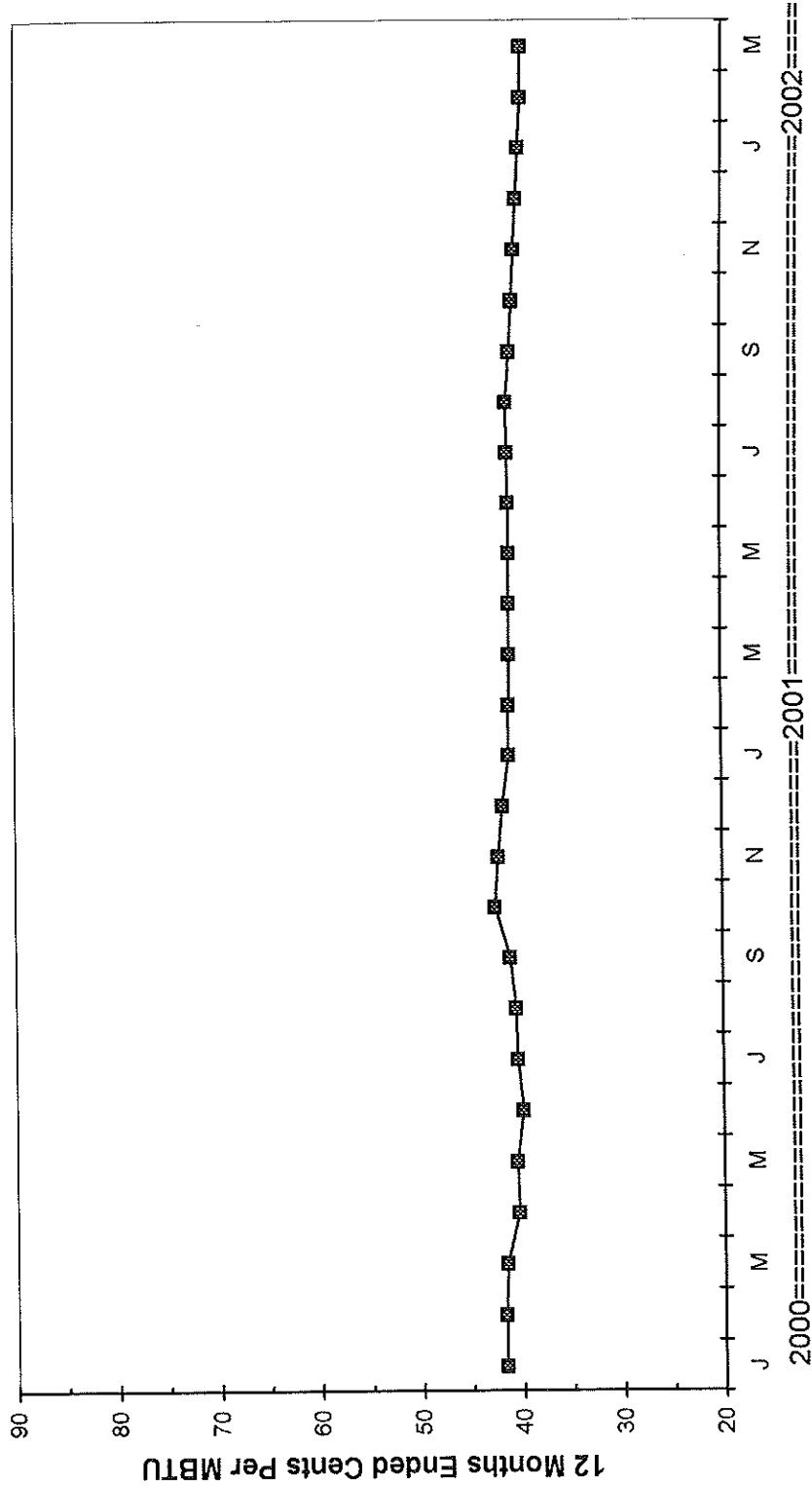
Line No.	Description	Mo. Avg. 12 Mo. 3/01 \$47,767	April 2001 \$47,835	May 2001 \$49,468	June 2001 \$56,341	July 2001 \$65,468	Aug. 2001 \$74,335	Sept. 2001 \$54,974	Oct. 2001 \$47,446	Nov. 2001 \$39,338	Dec. 2001 \$41,933	Jan. 2002 \$45,910	Feb. 2002 \$40,514	March 2002 \$54,213	Mo. Avg. 12 Mo. 3/02 \$51,481
1	Coal														
2	Emission Allowance Exp.	\$571	\$768	\$795	\$935	\$651	\$1,503	\$844	\$739	\$626	\$683	\$747	\$1,121	\$1,106	\$877
3	Oil	1,437	3,193	702	573	715	519	533	496	446	409	454	714	1,691	870
4	Gas	2,759	552	1,080	(869)	536	1,591	218	73	71	(73)	16	2	2	1,640
5	Nuclear	13,798	10,599	12,906	14,959	15,606	16,035	13,919	15,065	13,406	14,032	15,314	13,399	11,288	13,877
6	Total	\$66,332	\$62,947	\$64,951	\$71,939	\$82,976	\$93,983	\$70,488	\$63,819	\$53,887	\$56,984	\$62,441	\$55,750	\$68,300	\$68,745
7	MWH Gen.	6,965,045	5,981,126	6,465,297	7,464,642	7,846,220	8,470,140	6,852,285	6,825,376	5,883,513	6,430,785	7,038,115	6,107,361	6,386,382	6,812,604

# **DUKE POWER COMPANY** **Coal Cost Per MBTU Burned**

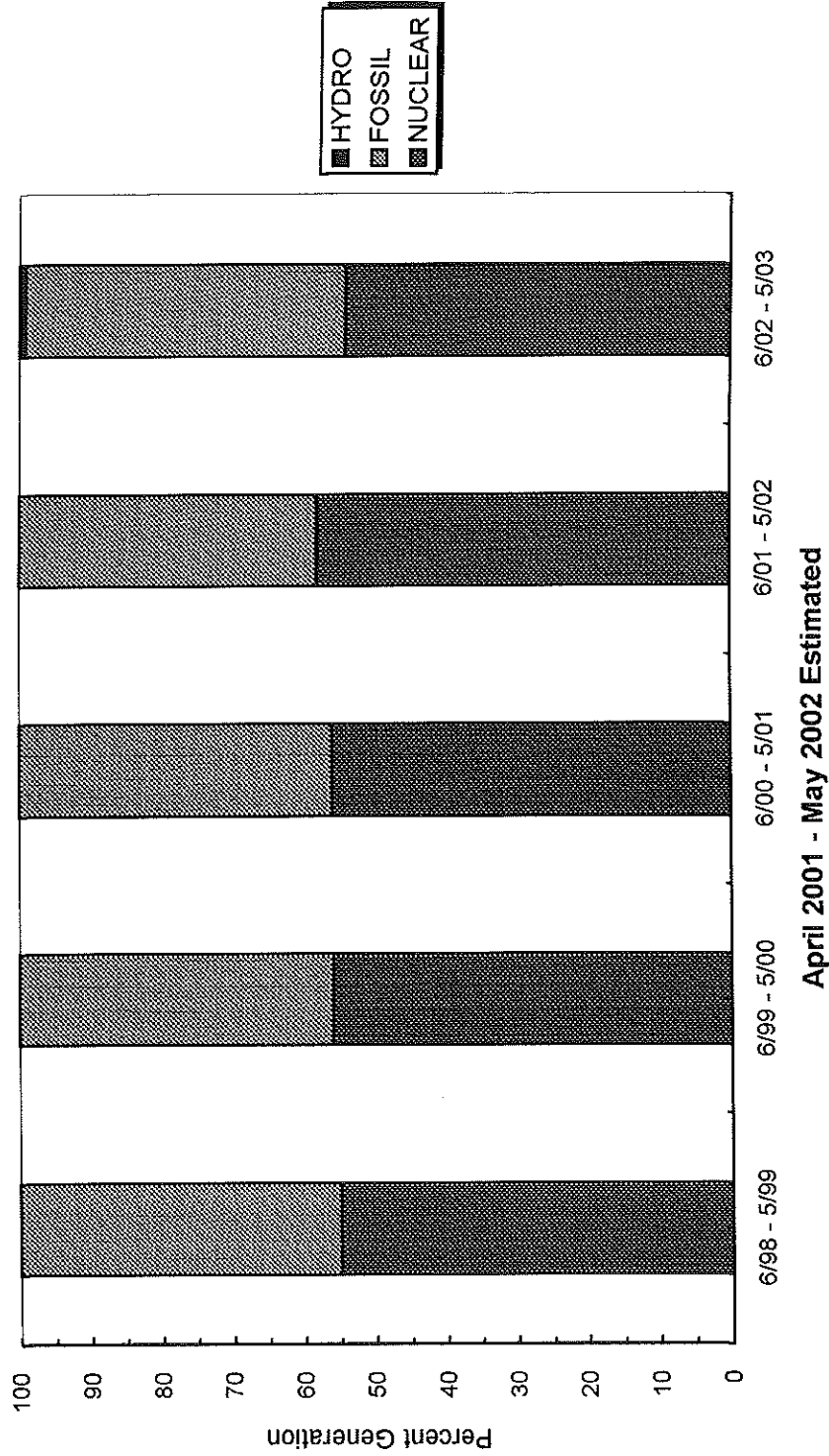




**DUKE POWER COMPANY  
Nuclear Cost Per MBTU Burned**



# DUKE POWER COMPANY Source of Generation by Test Period



April 2001 - May 2002 Estimated

DUKE POWER COMPANY  
SOUTH CAROLINA FUEL CLAUSE  
2002 ANNUAL FUEL HEARING  
NUCLEAR PLANT PERFORMANCE  
CAPACITY FACTOR 4/01 - 3/02

YOUNG EXHIBIT 6  
PAGE 1 OF 3

1	Nuclear System Actual Net Generation During Test Period	57,197,572 MWH
2	Total Number of Hours During Test Period	8,760
3	Nuclear System MDC During Test Period	6,996.0 MW
4	Reasonable Nuclear System Reductions	5,408,663 MWH
5	Nuclear System Capacity Factor $[1/((2 * 3) - 4)] * 100$	<u>102.36</u> %

DUKE POWER COMPANY  
SOUTH CAROLINA FUEL CLAUSE  
2002 ANNUAL FUEL HEARING  
NUCLEAR PLANT PERFORMANCE

YOUNG EXHIBIT 6  
PAGE 2 OF 3

Nuclear Outages Lasting One Week Or More - Current Period

<u>Unit</u>	<u>Date of Outage</u>	<u>Explanation of Outage</u>
Oconee 1	03/23/02-04/28/02	Refueling - EOC 20
Oconee 2	04/26/01-05/30/01	Refueling - EOC 18
Oconee 3	11/10/01-12/09/01	Refueling - EOC 19
McGuire 2	02/22/02-03/20/02	Refueling - EOC 14
Catawba 2	09/15/01-10/19/01	Refueling - EOC 11
Catawba 2	12/07/01-12/22/01	Reactor Trip due to Lo Reactor Coolant Loop Flow

DUKE POWER COMPANY  
SOUTH CAROLINA FUEL CLAUSE  
2002 ANNUAL FUEL HEARING  
NUCLEAR PLANT PERFORMANCE

YOUNG EXHIBIT 6  
PAGE 3 OF 3

Nuclear Outages Lasting One Week Or More - Forecast Period

<u>Unit</u>	<u>Date of Outage</u>	<u>Explanation of Outage</u>
Oconee 2	10/12/02-11/17/02	Refueling - EOC 19
Oconee 3	04/10/03-05/20/03	Refueling - EOC 20
McGuire 1	09/13/02-10/09/02	Refueling - EOC 15
Catawba 2	03/01/03-03/24/03	Refueling - EOC 12

DUKE POWER COMPANY  
SOUTH CAROLINA FUEL CLAUSE  
2002 ANNUAL FUEL HEARING  
CURRENT PERIOD FUEL COSTS INCURRED  
\$000

YOUNG EXHIBIT 7

Line No.	Item	April 2001	May 2001	June 2001	July 2001	Aug. 2001	Sept. 2001	Oct. 2001	Nov. 2001	Dec. 2001	Jan. 2002	Feb. 2002	March 2002	April 2002	May 2002
		\$51,580	\$51,250	\$56,044	\$66,719	\$76,445	\$55,725	\$48,015	\$39,855	\$42,269	\$46,381	\$41,230	\$55,906	\$42,851	\$51,228
1	Fossil Fuel														
2	Emission Allowance Exp.	768	795	935	651	1,503	844	739	626	683	747	1,121	1,106	876	876
3	Nuclear Fuel	10,599	12,906	14,959	15,606	16,035	13,919	15,065	13,406	14,032	15,314	13,399	11,288	12,976	13,433
4	Fuel In Purchases	7,431	4,474	2,613	5,049	8,903	776	1,641	2,821	1,582	2,499	2,955	4,344	3,353	3,353
5	Fuel In Intersystem Sales	<u>8,385</u>	<u>7,848</u>	<u>9,260</u>	<u>14,658</u>	<u>14,961</u>	<u>8,033</u>	<u>9,669</u>	<u>5,254</u>	<u>3,960</u>	<u>6,950</u>	<u>6,079</u>	<u>10,804</u>	<u>6,015</u>	<u>6,015</u>
6	Total Costs	\$61,993	\$61,577	\$65,291	\$73,367	\$87,925	\$63,231	\$55,791	\$51,454	\$54,606	\$57,991	\$52,626	\$61,840	\$54,041	\$62,875
7	MW/H Sales	6,052,370	5,716,693	6,236,583	6,730,695	7,316,466	6,860,542	5,744,684	5,612,567	5,501,707	6,395,497	6,075,867	5,648,271	5,545,243	5,619,853
8	Fuel Cost ¢/KWH	1.0240	1.0771	1.0456	1.0900	1.2017	0.9217	0.9712	0.9168	0.9925	0.9067	0.8661	1.0948	0.9745	1.1188
9	¢/KWH Billed	0.9500	0.9500	0.9500	0.9500	0.9500	0.9500	0.9500	0.9500	0.9500	0.9500	0.9500	0.9500	0.9500	0.9500
10	SC Retail MW/H Sales	1,720,540	1,687,156	1,772,324	1,908,368	2,046,018	1,908,953	1,694,424	1,622,115	1,548,871	1,748,234	1,719,958	1,533,686	1,655,175	1,672,429
11	\$ (Over) Under	\$1,273	\$2,144	\$1,695	\$2,672	\$5,150	(\$540)	\$359	(\$539)	\$658	(\$757)	(\$1,443)	\$2,221	\$406	\$2,823
12	Prior Period (Over) Under	(20,368)													
13	Cumulative (Over) Under	(\$19,095)	(\$16,951)	(\$15,256)	(\$12,584)	(\$7,434)	(\$7,974)	(\$7,615)	(\$8,154)	(\$7,496)	(\$8,253)	(\$9,696)	(\$7,475)	(\$7,069)	(\$4,246)

YOUNG EXHIBIT 7

DUKE POWER COMPANY  
SOUTH CAROLINA FUEL CLAUSE  
2002 ANNUAL FUEL HEARING  
PROJECTED FUEL COST 6/02 - 5/03  
\$000

YOUNG EXHIBIT 8

Line No.	Item	June 2002	July 2002	Aug. 2002	Sept. 2002	Oct. 2002	Nov. 2002	Dec. 2002	Jan. 2003	Feb. 2003	March 2003	April 2003	May 2003	Total
1	Fossil Fuel	\$61,408	\$71,680	\$73,861	\$59,061	\$51,935	\$50,021	\$51,087	\$59,422	\$49,765	\$53,874	\$40,308	\$48,923	\$671,345
2	Nuclear Fuel	14,482	14,939	14,939	12,787	12,612	13,199	14,939	14,742	13,390	14,443	14,293	14,742	169,507
3	Fuel In Purchases	3,353	3,353	3,353	3,353	3,353	3,353	3,353	3,353	3,353	3,353	3,353	3,353	40,236
4	Fuel In Intersystem Sales	6,015	6,015	6,015	6,015	6,015	6,015	6,015	6,015	6,015	6,015	6,015	6,015	72,180
5	Total Fuel Costs	\$73,228	\$83,957	\$86,138	\$69,186	\$61,885	\$60,558	\$63,364	\$71,502	\$60,493	\$65,655	\$51,939	\$61,003	\$808,908
6	Total MWH Sales	6,622,339	7,253,625	7,788,339	7,031,574	5,638,434	5,551,063	6,186,417	6,869,874	6,475,364	6,306,024	5,681,148	5,755,544	77,159,745
7	Fuel Costs Incurred ¢/kwh	1.1058	1.1574	1.1060	0.9839	1.0976	1.0909	1.0242	1.0408	0.9342	1.0411	0.9142	1.0599	1.0484
8	SC Retail MWH Sales	1,875,916	1,980,728	2,146,058	2,004,030	1,682,094	1,602,078	1,705,506	1,867,667	1,810,337	1,673,424	1,682,583	1,699,628	21,730,049
9	SC Fuel Costs	\$20,744	\$22,925	\$23,735	\$19,718	\$18,463	\$17,477	\$17,468	\$19,439	\$16,912	\$17,422	\$15,382	\$18,014	\$227,818
10	(Over)/Under On Ex. 5													(4,246)
11	Adjusted SC Fuel Costs													\$223,572
12	SC Fuel Cost ¢/kwh													1.0289